

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

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Date:

May 29, 2009

Legend:

Taxpayer =

Series X Preferred Stock =

Series Y Preferred Stock =

Regulations =

Conversion Provision =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

a =

b =

c =

d =

e =

Dear :

This letter responds to your authorized representative's letter dated March 19, 2009 requesting rulings under section 382 and section 1504 of the Internal Revenue Code. The information submitted in that letter and later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

Summary of Facts

Taxpayer is the common parent of an affiliated group of corporations that files a consolidated federal income tax return. It is a publicly-traded domestic corporation with a single class of common stock and multiple classes of preferred stock outstanding, including the Series X Preferred Stock and the Series Y Preferred Stock.

The Series X Preferred Stock was issued on Date 1, pays noncumulative dividends at a rate per annum equal to a and is perpetual, subject to Taxpayer's right to redeem the Series X Preferred Stock after Date 2 for an amount equal to its liquidation preference. The Series X Preferred Stock does not have any voting rights, except in the case of certain dividend nonpayment events and with respect to the authorization of any class of stock senior to the Series X Preferred Stock, any material and adverse changes in the terms of the Series X Preferred Stock, and certain mergers, consolidations or similar transactions involving Taxpayer.

The Series X Preferred Stock is subject to a Conversion Provision. The Conversion Provision allows for the Taxpayer to convert the Series X Preferred Stock if there is a modification to the Regulations. If triggered, the Conversion Provision allows the Taxpayer to convert the Series X Preferred Stock into a new class of preferred stock having terms substantially identical to those of the Series X Preferred Stock, except that the new preferred stock may be modified to the extent necessary to satisfy requirements of the Regulations. The Conversion Provision prevents the Taxpayer from converting the Series X Preferred Stock into stock with terms and conditions that are materially less favorable to the holders of the Series X Preferred Stock. The Series X Preferred Stock is not otherwise convertible.

The Series Y Preferred Stock was issued on Date 3 and pays noncumulative dividends at a rate per annum equal to b. The Series Y Preferred Stock does not have any voting rights, except in the case of certain dividend nonpayment events and with respect to the authorization of any class of stock senior to the Series Y Preferred Stock, any material and adverse changes in the terms of the Series Y Preferred Stock, and certain mergers, consolidations or similar transactions involving Taxpayer. The Series Y Preferred Stock is perpetual. However, Taxpayer has the right to redeem the Series Y Preferred Stock after Date 4 at a fixed price of c per share, representing a premium of d over the Series Y Preferred Stock liquidation preference of e per share (the "Redemption Premium").

Representations

Taxpayer makes the following representations with respect to the Series X Preferred Stock and the Series Y Preferred Stock.

- a. Taxpayer does not currently have the right under the Conversion Provision to convert the Series X Preferred Stock into a new series of preferred stock with any additional or modified terms.
- b. Taxpayer may not convert the Series X Preferred Stock under the Conversion Provision unless there is a change in the applicable Regulations, which is not within Taxpayer's control.
- c. Taxpayer believes, and believed at the time the Series X Preferred Stock was issued, that the applicable Regulations will not be changed in manner that would trigger the Conversion Provision.
- d. The Redemption Premium on the Series Y Preferred Shares is payable only on the redemption of such stock.
- e. The holders of the Series Y Preferred Stock have no right to force the redemption of their shares.

RULINGS

Based solely on the information submitted and the representations made, we rule as follows:

(1) Under the facts presented, the existence of the Conversion Provision will not prevent the Series X Preferred Stock from being described in § 1504(a)(4), and will not prevent the Series X Preferred Stock from being treated as other than stock for purposes of § 382.

(2) Taxpayer's right to redeem the Series Y Preferred Stock will not prevent the Series Y Preferred Stock from meeting the requirements of § 1504(a)(4)(C), and will not prevent the Series Y Preferred Stock from being treated as other than stock for purposes of § 382.

CAVEATS

Except as expressly provided in the rulings above, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

PROCEDURAL STATEMENTS

This ruling letter is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching a statement to the return that provides the date and control number of this letter ruling.

In accordance with the power of attorney on file in this office, a copy of this ruling letter will be sent to your authorized representative.

Sincerely,

Marie C. Milnes-Vasquez
Senior Technician Reviewer, Branch 4
Associate Chief Counsel, (Corporate)